

February 14, 2002

To: Supervisor Zev Yaroslavsky, Chairman  
Supervisor Gloria Molina  
Supervisor Yvonne Brathwaite Burke  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

From: David E. Janssen  
Chief Administrative Officer

**ASSEMBLY BILL 1875 (NAKANO) - (ITEM 9, AGENDA OF FEBRUARY 19, 2002)**

Item Number 9 on your agenda for Tuesday, February 19, 2002, is a motion by Supervisor Knabe to support **AB 1875 (Nakano, D - Torrance)** and send a five-signature letter of support to the author, Governor Davis, and the Los Angeles County Legislative Delegation. The bill was introduced on February 4, 2002 and referred to the committee on Business and Finance.

The bill would simplify the process by which a corporation that never issued shares could voluntarily dissolve by filing a form with the Secretary of State. Under current law, such a corporation could be required to appoint a board of directors (if not already in existence) and determine by majority vote of the directors whether to file for dissolution. In addition, current law requires the State Franchise Tax Board to verify that all state taxes due have been paid or secured. AB 1875 only requires the Secretary of State to notify the Franchise Tax Board that a filing for dissolution has occurred.

The author's summary suggests that the bill could potentially save the state and local governments the trouble and expense of annual notices. The Treasurer and Tax Collector indicates that the bill would have little or no impact on the County. **Since there is no existing policy on this issue, a position on AB 1875 is a matter for Board determination.**

DEJ:GK  
JR:md

c: Executive Office  
County Counsel